



Riga Sugar Company Ltd.

An ISO 9001:2008 & ISO 14001:2004 Certified Company

Regd. Office : 14, Netaji Subhas Road, 2nd Floor, Kolkata - 700 001

☎ : 2231-3414/3415/3416, 4050 6600 Fax : (033) 2230-3663

E-mail : riga@vsnl.net, Website : www.rigasugar.com

CIN-L15421WB1980PLC032970

15.09.2020

BSE Ltd.
25th Floor, P.J.Towers,
Dalal Street,
Mumbai – 400 001

The Calcutta Stock Exchange Ltd.,
7, Lyons Range
Kolkata-700 001

Dear Sirs,

Sub: Un-audited Quarterly Financial Results alongwith Limited Review Report of statutory auditors of the Company

The Board of Directors of the Company at their meeting held on 15th September, 2020 have approved the, Un-audited Quarterly Financial Results alongwith Limited Review Report of statutory auditors of the Company for the period ended 30th June, 2020 as per Regulation 33 of SEBI(LODR) Regulations, 2015.

Enclosed herewith please find a copy of the above Financial Results with Limited Review Report for your record purpose.

Thanking you,

Yours faithfully,
For RIGA SUGAR CO. LTD.


Company Secretary

Encl: As above



FACTORY : Dhanuka Gram, P.O. RIGA-843327,
Dist. Sitamarhi (Bihar)

☎ : (06226) 285085, Fax : (06226) 285045

E-mail : sugar@rigasugar.com, distillery.rigasugar@gmail.com





SALARPURIA & PARTNERS

Chartered Accountants

Tel. Address : "Checkchart(C)"

Cal. Office : 2237 5400/5401

: 2236 0560/4562

Fax : (91) (033) 2225 0992

E-mail : salarpuria.jajodia@rediffmail.com
office@salarpuriajajodia.com

7, CHITTARANJAN AVENUE, KOLKATA - 700 072

BRANCH : 4th FLOOR, "SALARPURIA WINDSOR" 3 ULSOOR ROAD, BANGALORE - 560042

ALSO AT : 1008, CHIRANJIVI TOWER, 43, NEHRU PLACE, NEW DELHI-110019, TELEFAX : 2623 3894

The Board of Directors

Riga Sugar Co Ltd,

14, Netaji Subhas Road, 2nd Floor,

Kolkata – 700 001.

1. We have reviewed the unaudited financial results of **Riga Sugar Co Ltd** ("the Company") for the quarter ended 30th June, 2020, which are included in the accompanying Statement of unaudited financial results for the quarter ended 30th June, 2020.
2. This statement has been prepared by the Company pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015"), which has been initialed by us for identification purposes. This Statement, which is the responsibility of the Company's management and has been approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), as prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Financial Statement is free of material misstatement.
4. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared in all material respects in accordance with applicable Ind AS and other recognized accounting practices and policies and has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement





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6. Emphasis Matter Paragraph
Material Uncertainty Relating to Going Concern

We draw your attention to the following matters

- a) Due to continuous losses Networth is fully eroded which may have effect on the entity's ability to continue as a going concern. (Refer Note 5)
- b) The company has defaulted in payment of Bank Loans and said borrowings are subject to confirmation. (Refer Note 4)

For Salarpuria & Partners
Chartered Accountants

(Firm ICAI Regd. No.302113E)

UDIN: 20057076AAAA BM5199

Nihar Ranjan Nayak

N. R. Nayak

Chartered Accountant
Membership No.-57076
Partner

Place: Kolkata

Date: 15th September 2020





RIGA SUGAR CO. LTD.

CIN : L15421WB1980PLC032970

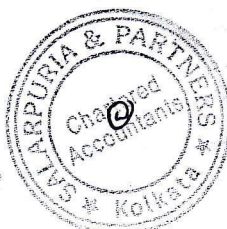
Registered Office : 14, Netaji Subhas Road, 2nd Floor, Kolkata - 700 001

Phone: 033-22313414 Fax: 033-22303663

Website: <http://www.rigasugar.com> Email: sprasad@rigasugar.in

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2020

Sl. No.	PARTICULARS	(Rupees in Lacs except figures of EPS)			
		QUARTER ENDED			YEAR ENDED
		30.06.2020 (UNAUDITED)	30.06.2019 (UNAUDITED)	31.03.2020 (AUDITED)	31.03.2020 (AUDITED)
1	Income From Operations				
	Gross Sales/Income From Operations	3,763.04	5,221.26	4,313.52	15,313.22
	(i) Total income from operations	3,763.04	5,221.26	4,313.52	15,313.22
	(ii) Other Income	45.64	128.52	202.87	394.29
2	Total income (i+ii)	3,808.68	5,349.78	4,516.39	15,707.51
3	Expenses				
	(a) Cost of materials consumed	1.32	3,487.94	5,421.13	9,461.43
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	3,477.60	701.57	(2,456.10)	3,457.65
	(c) Employee benefits expense	127.84	328.75	844.08	1,633.61
	(d) Finance Costs	327.38	463.29	11.82	1,481.02
	(e) Depreciation and Amortisation expense	130.29	127.00	154.66	521.18
	(f) Other expenses	26.46	235.60	883.26	1,562.59
	Total expenses(3)	4,090.89	5,344.15	4,858.85	18,117.48
	Profit / (Loss) from ordinary activities before Prior period items,	(282.21)	5.63	(342.46)	(2,409.97)
4	Exceptional Items, Extra-Ordinary Items & Tax (2-3)				
5	Exceptional items / Prior period items	-	-	-	-
6	Profit / (Loss) from operations before Extra-ordinary items & Tax (4+/-5)	(282.21)	5.63	(342.46)	(2,409.97)
7	Extraordinary items	-	-	-	-
8	Net Profit / (Loss) before tax (6 + / - 7)	(282.21)	5.63	(342.46)	(2,409.97)
9	Tax Expense				
	Current Tax	-	-	-	-
	Deferred Tax	-	-	-	-
10	Net Profit / (Loss) for the period (8 + / - 9)	(282.21)	5.63	(342.46)	(2,409.97)
11	Other Comprehensive Income, Net of income tax				
	A. Items that will not be reclassified to profit or loss	10.24	(2.96)	(43.95)	(59.24)
	B. Items that will be reclassified to profit or loss	-	-	-	-
	Total other comprehensive income, net of income tax	10.24	(2.96)	(43.95)	(59.24)
12	Total comprehensive Income for the period (10+/-11)	(271.97)	2.67	(386.41)	(2,469.21)
13	Paid-up equity share capital (Face Value of Rs.10/- per share)	1,444.34	1,444.34	1,444.34	1,444.34
14	Earnings per share (of Rs.10/- each) (not annualised) :				
	(a) Basic	(1.95)	0.04	(2.37)	(16.69)
	(b) Diluted	(1.95)	0.04	(2.37)	(16.69)



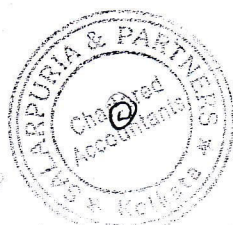
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SEGMENT-WISE REVENUE, RESULTS AND CAPITAL EMPLOYED
UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2020

Sl. No.	Particulars	(Rupees in Lacs)			
		QUARTER ENDED			YEAR ENDED
		30.06.2020 (UNAUDITED)	30.06.2019 (UNAUDITED)	31.03.2020 (AUDITED)	31.03.2020 (AUDITED)
1	SEGMENT REVENUE				
	A) Sugar Unit	3,262.98	4,321.64	3,953.74	13,501.77
	B) Distillery Unit	500.06	899.62	647.28	2,558.35
	Less: Inter Segment Sales	-	-	(287.50)	(746.90)
	Net Sales/ Income from Operations	3,763.04	5,221.26	4,313.52	15,313.22
2	SEGMENT PROFIT/(LOSS) BEFORE TAX & FINANCE COST				
	A) Sugar Unit	(65.25)	(161.03)	(477.87)	(1,987.33)
	B) Distillery Unit	110.42	629.95	147.25	1,058.39
	Sub-Total (A+B)	45.17	468.92	(330.62)	(928.94)
	Less:				
	A) Finance Cost	327.38	463.29	11.82	1,481.02
	B) Other un-allocable expenditure net of unallocable income	-	-	-	(59.24)
	Operating Profit Before Tax	(282.21)	5.63	(342.44)	(2,350.72)
3	CAPITAL EMPLOYED				
	Segment Assets				
	A) Sugar Unit	20,729.57	24,115.89	21,095.23	21,095.23
	B) Distillery Unit	5,634.59	5,485.17	5,794.11	5,794.11
	C) Unallocable	935.52	935.52	935.52	935.52
	Sub-Total	27,299.68	30,536.58	27,824.86	27,824.86
	Segment Liability				
	A) Sugar Unit	28,516.99	22,535.24	28,870.99	28,870.99
	B) Distillery Unit	1,202.52	1,190.00	1,111.73	1,111.73
	C) Unallocable	-	-	-	-
	Sub-Total	29,719.51	23,725.24	29,982.72	29,982.72



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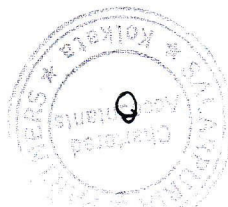
Riga Sugar Company Limited
14, Netaji Subhas Road, 2nd Floor, Kolkata - 700 001
CIN – L15421WB1980PLC0329, Phone No. 033-40506600, mail; sprasad@rigasugar.in
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- (1) Sugar being a seasonal industry, the performance of the Company varies from quarter to Quarter.
- (2) The central government re-fixed minimum floor price of sugar at Rs. 33 per kg from October, 2020. However the cost of production of sugar is much higher, resulting into loss on realizations. The parity between cane price and sugar price is yet to be established.
- (3) Sales include Rs.1358.86 Lacs as export and Rs 609.33 Lacs being claim of subsidy from Central Government toward reimbursement of losses being incurred on export through "Merchant Exporter" of sugar for the current quarter.
- (4) Bank loans of the company became NPA. The bankers allowed holding on operation which is still going on.
- (5) Due to continuous losses, the Net worth of the company is fully eroded which may have an effect on the entity's ability to continue as a going concern. However the Management is still hopeful that with financial restructuring by the banks and financial assistance from the state and central government the company can still revive.
- (6) Since last few years company is facing natural calamities one after another. The Phalin cyclone in October 2013, the Hudhud in October 2014 stranded the growth of sugarcane as well as reduce the sugar recovery considerably. Again company faced devastating earthquake in April 2015 and May 2015 and lost crores of rupees. The State Government had given assurance to help and visited the area but no compensation was granted. In August 2017 heavy flood also caused huge damage to plant and sugarcane.
- (7) The company had made availed KCC to farmers toward payment of cane price liability under guarantee of the company as existing working capital funds were not sufficient to pay to farmers due to continuous loss and erosion of working capital. It was well informed from time to time to state government authorities and with understanding with a view to extend relief to farmers. The co was regular in repayment of KCC alongwith interest. However after account became NPA and state government taken over the sugar godown the payment was regulated out of sugar sales proceed 85% goes to farmers, 10% to bank cut and only 5% to co. The company made so many request to bank for transferring the Liability to co from but not done so far. The state also did not pay to KCC out of 85% sales proceed. Now the state government has filed FIR against the CMD and senior officer which is being contested in court.
- (8) The company has made request for following support from central and state government , if provided the company can be revived:-

CENTRAL GOVERNMENT

1. Ethanol Loan to NPA sugar factory who has defaulted in SDF

Present capacity of Distillery is 45 KLPD. However Distillery runs for only 150- 200 days due against permitted 270 days due to stringent order of Regulatory authorities like



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CPCB and BSPCB although the company has installed full-fledged system of zero discharge validated by authorized agency like VSI and invested more than Rs. 17 Cr during last 3 years.

If the company install Incineration boiler and also install Modification System, its capacity will increase to 65 KLPD and also Distillery can run for 330 days.

The Central Government vide Notification dated 19th July, 2019 and 9th August, 2019 have notified Scheme for extending financial assistance to sugar mills for enhancement and augmentation of ethanol production capacity, under which financing of Ethanol plant expansion by enhancing the number of working days of existing distillery in a year on installation of new incineration boilers and also expansion of capacity of the existing distillery. On availing of such Loan from the bank the central government would provide interest subvention upto 6% p.a. for 5 years. However as per terms of the scheme in case of NPA no such subvention will be provided. At the same time the Bankers are least interested to provide any fresh exposure due to NPA and present condition of Bankers.

If Government provide SDF Loan under Chapter XI of SDF Rules, 1983 toward financing of Ethanol Expansion and Augmentation then there will be increase the production capacity.

2. MIEQ & Cane price Subsidy by the Central Government for the season 2018-19

The central government had announced cane price subsidy for the season 2018-19 at the rate of Rs.13.88 per qtl. However it was linked with compulsory export obligation known as MIEQ. However there was loss on making export of sugar which the majority of weak companies like company could not bear and thus could not pay cane price subsidy to the farmers and thus farmers are deprived of cane price subsidy. Company has demanded that central government to pay Rs.13.88 for season 2018-19 directly to farmers without linking with prior export obligation to weak and small sugar companies.

3. SDF Loan Restructuring & withdrawal of DRT Case

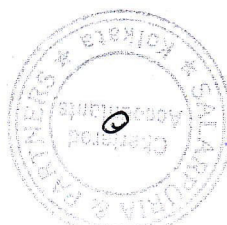
Company have become totally weak and Sick Sugar Unit and has become NPA from 30th September, 2018. As per SDF Rules our company is fit case for restructuring of the Loan by way of :-

- (a) extension of repayment period;
- (b) waiving of all penal and additional interest;
- (c) Providing Loan for Clearance of Cane Price Arrears;
- (d) Loan for plant rejuvenation and balancing;
- (e) Loan for Ethanol and Power Plant; and
- (f) withdrawal of Recovery case in DRT

Company seek aforesaid relief and assistance as the SDF Rules provides for this under Chapter X of SDF Rules regarding - Loans for potentially viable sick sugar undertaking and Chapter XV of SDF Rules regarding Restructuring of loans of potentially viable sick sugar undertaking.

4. Non-payment of 3rd and 4thqtr Buffer Stock Claim of 2018 Scheme and other penalties

Buffer Stock claim for 3rd and 4th quarter as per Scheme of Buffer Stock dated 15th June, 2018 has been withheld because the company have not able to export sugar in 2018-19 as per MIEQ, because there was upfront loss on such export which could not bear.



For one fault of non-export which is reason beyond control, the Company is penalized by multiple ways as follow:-

- i) Not given cane price subsidy of Rs. 13.88/- per quintal on cane crush of 45.25 Lacsqtl. in 2018-19 i.e Rs. 6.29 Cr. which could have gone to farmers directly.
- ii) Withholding of Buffer subsidy of 3rd and 4th quarter on date of Rs. 1.24 Cr, which will go to the cane price arrears.
- iii) Reduction of monthly quota of sugar for sale in market, thereby the liquidity of the company to pay cane price to the farmers.
- iv) Non-eligibility of the company to avail subsidized soft loan to pay cane price arrears as per scheme dated 2nd March, 2019 to pay cane price arrears to farmers of 2018-19.
- v) Reduction of subsequent Buffer qty created in of 2019.

STATE GOVERNMENT

The company has made request for the following support from the State government. If provided, the company can be revived and it can come out of NPA:-

- (a) Provide company additional cane price subsidy of Rs.40 per qtl. for the season 2017-18 and additional cane price subsidy of Rs.30 per qtl. for the season 2018-19 over and above the subsidy announced for all Bihar sugar mills- This will ward-off the additional losses incurred by us on account of lower Recovery for payment of cane price to Farmers.
- (b) Provide company soft term loan of Rs. 70 crores at interest rate of 4% for period of 10 years with moratorium of 5 years, so that we can pay cane price for last season and current season. The Bank has already agreed to provide second charge on Fixed Assets of the company toward security of such loan.

The aforesaid amount can be paid directly to the farmers.

© Release of Bihar Soft Loan Interest subvention for the FY 2016-17, 2017-18 and 2018-19 and 2019-20 -Rs. 447 Lacs.

- (d) Reimbursement of Co-gen subsidy of Rs.156 lacs pending since last 2 years.
- (e) Help farmers directly for procurement of High Yield variety of cane seed of CO 238 for 2 year OF Rs. 10 Cr.
- (f) Compensation towards running sugar plant in scorching heat of April and May, 2019 as per direction of the state government in the interest of farmers in season 2018-19 and consequent loss by way of extremely lower recovery estimated at Rs. 7.45 Cr.
- (9) Deferred Tax Assets arising during the period not been provided in the accounts on the basis of uncertainties.
- (10) The company is not a Large Corporate as per the applicability criteria given under the SEBI circular SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018.
- (11) The figures of previous period/ year have been regrouped/ reclassified wherever necessary to make them comparable with those of the current period / year.

(12) The above unaudited financial results were reviewed by the Audit Committee and thereafter, the Board of Directors approved the above results and are taken on record at their meeting on 15th September, 2020.

For and on behalf of Board of Directors
For Riga Sugar Co. Ltd.

(O.P. Dhanuka)
CMD

DIN: 00049947

Place: Kolkata
Date: 15th September, 2020

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